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ATTORNEYS FOR  
FIRST STATE BANK, MESQUITE

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re:	§	
	§	Case No. 09-38264-HDH
LIF ESMAEL MODABBERI,	§	
	§	(Chapter 13)
Debtor.	§	

**AFFIDAVIT OF MARIANO HERNANDEZ**

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

ON THIS DAY appeared Mariano Hernandez who, upon being duly sworn, did attest to the following:

"My name is Mariano Hernandez. I am over the age of 18 years and am competent and otherwise qualified to make this Affidavit. I am a Vice-President of First State Bank, Mesquite ("First State Bank") and, in that capacity, have personal knowledge of the matters stated herein, which are all true and correct to the best of my knowledge.

1. "I am executing this Affidavit in support of the *Motion for Relief from the Automatic Stay* (the "Motion"), filed by First State Bank, a party-in-interest in the above-captioned bankruptcy case (the "Bankruptcy Case").

2. "On or about April 22, 2005, Lif Esmael Modabberi (the "Debtor") entered into loan # x2215 ("Loan 2215") with First State Bank in the amount of \$44,250.00. As security for Loan 2215, the Debtor offered collateral in the form of real property located at 1431 Melton Lane, Mesquite, Texas 75149 (the "Melton Property"). A deed of trust (the "Melton Deed") was subsequently recorded by First State Bank in the Dallas County records office, thereby perfecting its lien in the Melton Property. True and correct documentation evidencing Loan 2215 and the Melton Deed is attached to the Motion.

3. "On or about July 25, 2005, the Debtor entered into loan # x2286 ("Loan 2286") with First State Bank in the amount of \$100,000.00. As security for Loan 2286, the Debtor offered collateral in the form of real property located at 7622 Anson Circle, Dallas, Texas 75235 (the "Anson Property"). A deed of trust (the "Anson Deed") was subsequently recorded by First State Bank in the Dallas County records office, thereby perfecting its lien in the Anson Property. True and correct documentation evidencing Loan 2286 and the Anson Deed is attached to the Motion.

4. "On or about August 19, 2005, the Debtor d/b/a Automobile Enterprises entered into loan # x2589 ("Loan 2589" and, together with Loan 2215 and Loan 2286, the "Debtor Loans") with First State Bank in the amount of \$53,000.00. As security for Loan 2589, the Debtor offered collateral in the form of real property located at 1809 Sandy Lane, Mesquite, Texas 75149 (the "Sandy Lane Property" and, together with the Melton Property and Sandy Lane Property, the "Debtor Properties"). A deed of trust (the "Sandy Lane Deed") was subsequently recorded by First State Bank in the Dallas County records office, thereby perfecting its lien in the Sandy Lane Property. True and correct documentation evidencing Loan 2589 and the Sandy Lane Deed is attached to the Motion.

5. "Prior to the Petition Date, the Debtor defaulted under the terms of the Debtor Loans by failing to make the payments due thereunder. As of the Petition Date, the following amounts were owed under the Debtor Loans, without prejudice to the allowance of First State Bank's postpetition interest, attorney's fees, and costs of collection:

<u>Loan #</u>	<u>Missed Payments</u>	<u>Total Owed</u>
Loan 2215	\$110.04	\$22,042.62
Loan 2286	\$1,891.95	\$79,856.51
Loan 2589	\$1,540.58	\$47,039.85
Total	\$3,542.57	\$148,938.98

To date, First State Bank has not received any form of adequate protection. The Debtor Properties continue to depreciate in value. Such depreciation in value, together with the amounts owed under the Debtor Loans, administrative fees, legal fees, and potential tax liability, has likely caused the Debtor to lose all of his equity in the Debtor Properties.

6. "On or about September 12, 2005, Dallas Unlimited Real Estate Solutions, Inc. ("Dallas Unlimited") entered into loan # x2331 ("Loan 2331") with First State Bank in the amount of \$154,000.00. As security for Loan 2331, Dallas Unlimited offered collateral in the form of real property located at Lot 24 Block A, 8R & 4R Block B, Waters Edge, Denton County, Texas 76209 (the "Waters Edge Property"). In addition, the Debtor executed a personal guaranty (the "2331 Guaranty") to secure Dallas Unlimited's obligation to repay Loan 2331. A deed of trust (the "Waters Edge Deed") was subsequently recorded by First State Bank in the Denton County records office, thereby perfecting its lien in the Waters Edge Property. True and correct documentation evidencing Loan 2331 and the Waters Edge Deed is attached the Motion.

7. "On or about January 19, 2007, Prompt Professional Real Estate Services, Inc. ("Prompt Professional" and, together with Dallas Unlimited, the "Insiders") entered into loan # x2688 ("Loan 2688") with First State Bank in the amount of \$113,600.00. As security for Loan

2688, Prompt Professional offered collateral in the form of real property located at 2929 Curvilinear Ct., Dallas, Texas 75227 (the "First Curvilinear Property"). In addition, the Debtor executed a personal guaranty (the "2688 Guaranty") to secure Prompt Professional's obligation to repay Loan 2688. A deed of trust (the "First Curvilinear Deed") was subsequently recorded by First State Bank in the Dallas County records office, thereby perfecting its lien in the First Curvilinear Property. True and correct documentation evidencing Loan 2688 and the First Curvilinear Deed is attached to the Motion.

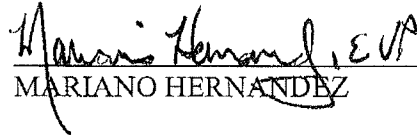
8. "On or about June 14, 2007, Prompt Professional entered into loan # x2758 ("Loan 2758") and together with Loan 2331 and Loan 2688, the "Insider Loans") with First State Bank in the amount of \$104,000.00. As security for Loan 2758, Prompt Professional offered collateral in the form of real property located at 2819 Curvilinear Ct., Dallas, Texas 75227 (the "Second Curvilinear Property") and, together with the Waters Edge Property and the First Curvilinear Property, the "Insider Properties"). In addition, the Debtor executed a personal guaranty (the "2758 Guaranty") to secure Prompt Professional's obligation to repay Loan 2758. A deed of trust (the "Second Curvilinear Deed") was subsequently recorded by First State Bank in the Dallas County records office, thereby perfecting its lien in the Second Curvilinear Property. True and correct documentation evidencing Loan 2758 and the Second Curvilinear Deed is attached to the Motion.

9. "Since the Petition Date, the Insiders have defaulted under the terms of the Insider Loans by failing to make the payments due thereunder. As of the Petition Date, the following amounts were past due under the Insider Loans, without prejudice to the allowance of First State Bank's postpetition interest, attorney's fees, and costs of collection:

Loan #	Missed Payments	Total Owed
Loan 2331	\$10,238.30	\$153,638.22
Loan 2688	\$3,352.95	\$116,924.16
Loan 2758	\$4,544.52	\$107,779.31
Total	\$18,135.77	\$378,341.69

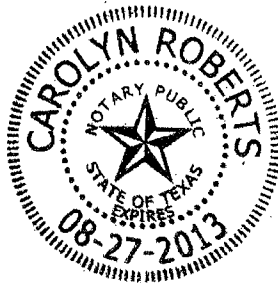
10. "I declare under penalty of perjury that the foregoing is true and correct."

Executed this \_\_\_\_ day of April 2010, at Mesquite, Texas.

  
MARIANO HERNANDEZ

SWORN TO AND SUBSCRIBED BEFORE ME on this 13<sup>th</sup> day of April 2010, to certify which witness my hand and seal of office.

[STAMP]



  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS